

**Testimony of  
Yale University Submitted to the Judiciary Committee  
on HB 6614, An Act Concerning Medical Foundations**

**March 25, 2011**

Chairman Coleman, Chairman Fox, and distinguished Members of the Committee, thank you for this opportunity to express Yale University's enthusiastic support for HB 6614, An Act Concerning Medical Foundations. The legislation would enable medical schools in Connecticut to play their part in improving the quality and cost-effectiveness of care in Connecticut in the same manner as authorized previously for hospitals and other entities. The University is grateful for the Committee's interest in this bill.

HB 6614 would amend Public Act 09-212, which authorizes hospitals, health care systems, and certain physician practices to form not-for-profit medical foundations for the specific purpose of delivering patient care. This is an exception to Connecticut's corporate practice of medicine doctrine. Public Act 09-212 is a good law, but unfortunately it does not cover some of the largest groups of organized physicians in the State – physician practices that are affiliated with accredited schools of medicine.

Let me explain why the law should cover medical schools. For most medical schools, and it is certainly true for both the Yale and UConn Medical Schools, clinical practitioners play a vital role in medical education. It is typical for schools of medicine to have large, multispecialty faculty practices that are the "clinical classroom" for medical trainees. These clinicians not only provide excellent patient care but are also involved in vital cutting edge medical and scientific research and are also "clinical laboratories" for improvements in the delivery of patient care. The faculty physician practices are an integral part of the curriculum and part of the framework of the medical school.

In addition to playing a major role in teaching and research, the Yale clinical faculty physician practice is a significant provider of medical care to Connecticut residents. Thus the Yale clinical faculty are fully engaged in efforts to improve the quality and cost-effectiveness of care. Like other providers, faculty physician practices are trying to address the fragmented system of delivering and financing health care that contributes to the rapid increases in health care spending. At Yale we are keenly interested in closely working with primary care and specialty physicians in our community to better integrate the delivery of care in a way that will help to improve the quality of care, and to bring the cost of care under better control.

A not-for-profit medical foundation will be an efficient model for organizing a network of community based providers, closely affiliated with a medical school, that would be jointly responsible for the quality and cost of caring for patients. It would allow community physicians to join with a school of medicine in treating patients. It would enable community physicians to devote more of their time to caring for patients and to leave the administrative functions to be handled by the Foundation where efficiencies can be achieved. Also, in this period where community physicians are finding it more difficult to cost effectively deliver quality patient care, a medical foundation would provide a stable economic platform less burdened by the declining payments small practices are facing. As we move forward with Accountable Care Organizations and patient-centric medical homes in delivering patient care, medical foundations as the basis

for those entities, makes a lot of sense. Foundations will have no effect on how patients see their doctors.

Unfortunately, under Public Act 09-212, Yale (or any other medical school) is not authorized to create, or become a member of, a medical foundation because the faculty physician practice, part of the School of Medicine, is not a separately incorporated entity. It is part of Yale University and the clinicians are members of the University faculty. Yale has no interest in reorganizing the faculty physician practice as an independent legal entity because it is an integral part of the curriculum.

However, HB 6614 provides a simple solution. It would add accredited schools of medicine to the list of organizations that are permitted to create or become members of medical foundations. It is a minor, technical amendment that would help to advance better medical care for the residents of Connecticut.

We understand that the University of Connecticut Health Center supports the legislation, as does Quinnipiac University, which will open a school of medicine in 2013. We are not aware of any opposition to this technical amendment.

Public Act 09-212 represents a significant advance in improving health care delivery in Connecticut. However, it overlooked a large and important group of providers – the clinical faculty physicians at accredited schools of medicine. We are grateful for the Committee's interest in this issue and hope that the General Assembly will enact HB 6614 in this session.

I would be pleased to answer any questions you may have.